

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:
MATRIX ENERGY, LLC
FOR DETERMINATION OF
RETAIL ELECTRIC SUPPLIER

CASE NO. 2003-00228

**DATA REQUESTS BY
MATRIX ENERGY, LLC TO BIG SANDY RURAL
ELECTRIC COOPERATIVE CORPORATION**

Matrix Energy, LLC, by counsel, hereby propounds the following data requests to Big Sandy Rural Electric Cooperative Corporation.

Definitions

For purposes of these data requests “EKP” shall mean East Kentucky Power Cooperative, Inc.

For purposes of these data requests, “Big Sandy” shall mean Big Sandy Rural Electric Cooperative Corporation.

For purposes of these data requests, “Matrix” shall mean Matrix Energy, LLC, and the “Matrix Mine” shall mean the mine to be developed by Matrix that is the subject of this proceeding.

For purposes of these data requests, “AEP” shall mean Kentucky Power D/B/A American Electric Power.

Data Requests

1. Please state the date upon which Big Sandy was first advised that a new mine was to be constructed by Beech Fork Processing, Inc., which mine was later named the Matrix Mine, and identify the individual or entity providing this information, the individuals present during this conversation and describe the substance of the conversation and

whether Big Sandy was advised of the location of the mine portal and shaft for the new mine.

2. Please state the date that Big Sandy first became aware that the majority of the coal reserves to be mined through the new mine referred to in Data Request No. 1 were located in the certified territory of AEP, and how it became aware of this information.
3. Please provide copies of any and all documents reflecting the discussions at the January 3, 2002, meeting at Big Sandy's Office referenced at Paragraph No. 5 of the Testimony of Bruce A. Davis, Jr., including but not limited to notes, memoranda and/or correspondence.
4. Paragraph 6 of the Testimony of Bruce A. Davis, Jr., states that during the January 3, 2002, meeting at Big Sandy's Office, Beech Fork requested temporary service in November 2002 and service to the mine in January 2003. Please state whether Beech Fork requested that temporary service be provided to the mine site by April of 2002 so that construction of the shaft and slope of the mine could be completed by November of 2002, whether Big Sandy indicated that it could provide this temporary service by April 2002, and whether Big Sandy indicated that Beech Fork could get temporary power for the construction of the shaft and slope by extending a power line from the Czar mine site.
5. If Big Sandy's answer to request no. 4 above states that Big Sandy advised Beech Fork that Big Sandy could provide power for the construction of the shaft and portal by April 2002, please describe how Big Sandy would have provided this service, including the distribution line that would have been utilized, any construction required to provide this service, how long it would have taken to complete the construction, and the steps taken by Big Sandy to provide this temporary service for the construction of the shaft and

portal.

6. Paragraph 6 of the Testimony of Bruce A. Davis, Jr., states that during the January 3, 2002, meeting at Big Sandy's Office, Beech Fork requested temporary service in November 2002 and service to the mine in January 2003. Please state whether Big Sandy could provide temporary service to the mine in November of 2002 to power the work necessary to connect the shaft and the slope, and the start of production in January 2003. If so, please describe how Big Sandy would have provided this service, including the distribution line that would have been utilized, any construction required to provide this service, how long it would have taken to complete the construction, and the steps taken by Big Sandy to provide this temporary service.
7. On a map of suitable scale, please identify on a map the location of the existing distribution lines of Big Sandy as they relate to the Matrix Mine portal and shaft and the three proposed bore holes. Please include the boundary of the certified territory of Big Sandy and AEP on the map.
8. Paragraph 4 of the Testimony of David Estepp states that Big Sandy proposes to serve the Matrix Mine by tapping AEP's 69 kV line and build the needed transmission line to the substation. On a map of suitable scale, please identify or illustrate the location of the power lines and any substation by which Big Sandy proposes to provide service to the Matrix Mine portal and shaft.
9. Paragraph 4 of the Testimony of David Estepp states that the cost of the substation needed to tap AEP's 69 kV line is \$172,000, the cost of the 1.6 mile transmission line is \$267,000, and that EKP would agree to accept \$4,000.00 per month for 60 months if Beech Fork prepares the site for the substation and provided the easements for the

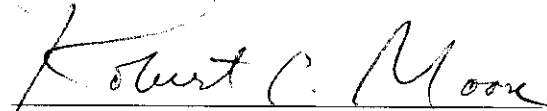
transmission line. The electronic mail dated September 5, 2002, from Greg McKinney with EKP to Paul Horn of Beech Fork states that the cost to provide service at the original location adjacent to the mine portal is \$512,000 and the cost to provide service adjacent to AEP's 69 kV line is \$285,851. Please itemize in detail (a) the total costs, direct and indirect, to be charged Matrix by Big Sandy and/or EKP for the construction of the substation adjacent to AEP's 69 kV line, as well as the 1.6 mile transmission line to the mine, including any interconnection and/or tap fee(s), and (b) the total costs, direct and indirect, to be charged Matrix by Big Sandy and/or EKP for service from AEP's 69 kV line if Matrix is allowed to construct the substation adjacent to AEP's 69 kV line and the 1.6 mile transmission line, including any interconnection fee(s).

10. Based on Matrix' estimate that it will be using, on a monthly basis, 3000 kw, an energy charge of 401.04 and a fuel factor of 401.04, what would Matrix' monthly electric charge be if service is provided by AEP, and explain how this monthly charge was determined. Please state whether any of these charges have a monthly minimum.
11. Please state whether Big Sandy has provided retail electric service to any mining operations conducted on the Czar Mine site as shown on the map identified as Matrix Exhibit D. If the answer is yes, please identify the customer(s) served, the date(s) of service, the location of Big Sandy's facilities that provided this service, and the amount of power/voltage provided by Big Sandy.
12. Please state the maximum amount of voltage Big Sandy is authorized to distribute or sell over its distribution lines, and please provide a copy the operating guidelines or policies governing Big Sandy's operations.

13. Please state whether Big Sandy proposes to provide electric service to the three bore holes to the Matrix Mine to be located on the Czar Mine site. If so, on a map of suitable scale, please identify or illustrate the location of the distribution lines proposed to serve the boreholes.
14. Please state whether Big Sandy currently provides any electric service to the electric distribution network on the Czar Mine site. If so, on a map of suitable scale, please identify or illustrate the location of Big Sandy's distribution network or lines on the Czar Mine site.
15. Please provide copies of any and all documents reflecting complaints received from customers of Big Sandy receiving power from or off of the distribution lines serving the Right Fork of Daniels Creek and Sycamore Creek.
16. Please state whether Big Sandy can obtain authorization from AEP to interconnect onto AEP's 69 kV transmission line and whether FERC approval is required. If FERC approval is required, please describe the procedure to obtain such approval, and the length of time necessary to obtain said approval.
17. Please state whether the representatives of Big Sandy knew at the close of the January 3, 2002, meeting that the discussed shaft mine would mine coal located in AEP's certified territory and ,if so, whether the representatives of Beech Fork were advised that Big Sandy could not provide power to that portion of the new mine located in AEP's certified territory.
18. Please state whether at the January 3, 2002, meeting the representatives of Big Sandy advised Beech Fork that Beech Fork could construct the new substation as well as the 1.6 miles of transmission line, in order to minimize the cost of same.

19. Please provide copies of any and all documents concerning, relating to or referring to the meeting between EKP and AEP held on February 25, 2002, to discuss the potential tap associated with the service to the Matrix Mine.
20. Please identify the representative(s) of Beech Fork and the representative(s) of Big Sandy that met on April 15, 2002, and the substance of the discussions.
21. Please state whether Big Sandy's current distribution lines can provide service to the Matrix Mine, and if so whether these current distribution lines serve residences and what, if any, problems can result from serving the Matrix deep mine on the same line that serves residences.
22. Paragraph 4 of the Testimony of David Estepp states that Big Sandy paid the amount of \$21,454.47 to EKP for the System Impact Study and the Facilities Study. Please state whether Beech Fork was advised, verbally or in writing, during the January 3, 2002, meeting that it would be required to pay for a System Impact Study and the Facilities Study and the estimated cost of a System Impact Study and the Facilities Study,
23. The Testimony of Gregory L. McKinney states at page 4 that AEP has a 69 kV line and a 138 kV line on Beech Fork property. Please state whether Mr. McKinney is referring to the 69 kV line and the 138 kV line on the Czar mining site.
24. Based on your understanding of the power demands of the Matrix Mine project, please state what Big Sandy believes is the most cost effective and reliable power source for this project, the location of the power source and explain in detail the facts supporting your answer.

Respectfully submitted,



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Certificate of Service

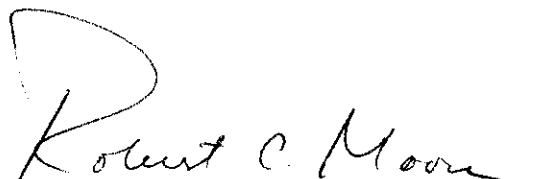
I hereby certify that a copy of the foregoing Request was served by United States First Class Mail, postage prepaid, on this 7th day of November, 2003 upon:

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